



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Financial Management Modernization Executive and Steering Committees

The Secretary of Defense recently implemented a Department-wide financial management modernization program to ensure that the Department's financial management operations are conducted effectively and at least cost to the American taxpayer.

I am establishing the Financial Management Modernization Executive and Steering Committees as the governing bodies to oversee the activities related to this modernization effort. Attached is a copy of the charter for these committees, which supersede both the Financial Management Steering Committee and the Senior Financial Management Oversight Council.


Dov S. Zakheim

Attachment

CHARTER

FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE AND STEERING COMMITTEES

A. MISSION/PURPOSE

The Financial Management Modernization Executive Committee is established as an advisory body to the Under Secretary of Defense (Comptroller) for financial management modernization within the Department of Defense (DoD). The overall goal of the modernization initiative is to have reliable, accurate and timely financial information upon which to make the most effective business decisions. The scope of this initiative encompasses those defense policies, processes, people, and systems which guide, perform or support all aspects of financial management within the Department; from the formulation of budget estimates, through execution, to the preparation of management reports and financial statements. The Committee will provide strategic direction, champion program execution, and hold Components responsible for results.

The Steering Committee will advise the Executive Committee concerning program performance, serve as the forum for discussion of Component issues, and provide guidance to the Financial Management Modernization Program Office. These activities include overseeing the process whereby it is determined whether critical accounting, finance and feeder systems, from a single system and integrated systems perspectives, are compliant with applicable federal financial management systems requirements--the Financial and Feeder Systems Compliance Process.

The members of the Executive and Steering Committees whose organizations are responsible for business systems shall be responsible for highlighting to the committees any financial management modernization program impacts that might interfere with the ability of these business systems to accomplish their missions.

B. MEMBERSHIP

1. Executive Committee membership shall consist of the following officials:
 - a. Under Secretary of Defense (Comptroller) (Chair)
 - b. Under Secretary of Defense (Acquisition, Technology, and Logistics)
 - c. Under Secretary of Defense (Personnel and Readiness)
 - d. Under Secretary of the Army
 - e. Under Secretary of the Navy

- f. Under Secretary of the Air Force
 - g. DoD Chief Information Officer
2. Steering Committee membership shall consist of the following officials:
 - a. Principal Deputy and Deputy Under Secretary of Defense for Management Reform (Chair)
 - b. Deputy Under Secretary of Defense (Financial Management) (Vice Chair)
 - c. Principal Deputy Under Secretary of Defense for Acquisition, Technology and Logistics
 - d. Deputy Under Secretary of Defense (Logistics and Materiel Readiness)
 - e. Principal Deputy Under Secretary of Defense (Personnel and Readiness)
 - f. Deputy Chief Information Officer, Department of Defense
 - g. Assistant Secretaries of the Military Departments (Financial Management and Comptroller)
 - h. Assistant Secretary of the Army (Acquisition, Logistics and Technology)
 - i. Assistant Secretary of the Navy (Installation and Environment)
 - j. Assistant Secretary of the Navy (Research, Development and Acquisition)
 - k. Assistant Secretary of the Air Force (Acquisition)
 - l. Air Force Deputy Chief of Staff (Installations and Logistics)
 - m. Program Manager-Financial Management Modernization Program, Office of the Under Secretary of Defense (Comptroller) (Executive Secretary).
 3. The Chairs may appoint additional members to the Committees as appropriate.
 4. Attendance at Committee meetings will be by invitation of the Chairs.
 5. Representatives from other DoD Components and federal departments and agencies may be invited to participate in Committee meetings at the discretion of the Chairs.

C. RESPONSIBILITIES AND FUNCTIONS

1. The Under Secretary of Defense (Comptroller) and the Principal Deputy and Deputy Under Secretary of Defense for Management Reform, as the Chairs of these Committees, shall:
 - a. Direct the operation of the Committees
 - b. Preside at Committee meetings
 - c. Approve the agenda for each meeting
 - d. Determine the frequency of meetings
 - e. Provide the Committees with the strategic direction for the Financial Management Modernization Program and identify areas where advice is needed
 - f. Monitor the progress of the modernization effort
 - g. Have final decision authority for all business of the Committees
 - h. Provide periodic updates to the Secretary's Senior Executive Council
 - i. Establish special committees, as determined appropriate by the Committees.
2. The Program Manager-Financial Management Modernization Program, as the Executive Secretary of the Steering Committee, shall:
 - a. Provide information on the progress of the modernization effort to the Chair
 - b. Identify issues to the Chair that require Committee attention
 - c. Schedule Committee meetings
 - d. Provide advance material to the Chair and members
 - e. Ensure preparation of documents reflecting decisions by the Chair
 - f. Followup and report on implementation of actions directed by the Chair
 - g. Prepare and disseminate minutes for each Committee meeting.